

ASHEVILLE COMMUNITY PROFILE

Community Description

The City of Asheville, with a population of 70,070, comprises an area of approximately 42 square miles in Western North Carolina. Asheville is the regional center for manufacturing, transportation, health care, banking, professional services, and shopping. The City is the county seat of Buncombe County, the largest city in Western North Carolina, and the tenth largest city in the State. Asheville is nestled between the Blue Ridge and Great Smoky Mountains and located astride the French Broad and Swannanoa Rivers. The City is surrounded by lush mountains, many with elevations above 5,000 feet.

Recreational opportunities abound in the Asheville area with approximately 16% of the region's area designated as public or recreational. The Biltmore Estate, George Vanderbilt's 19th century estate comprises over 8,000 acres just outside the city limits. The Blue Ridge Parkway is also headquartered in Asheville. The City also has a strong historic preservation program. This assistance in the preservation of downtown housing and historic structures has created a truly unique and vibrant urban atmosphere in downtown Asheville.

Asheville's natural and architectural beauty, moderate climate, strong job market, and outstanding educational and health care facilities make it one of the most attractive locations in the United States. Asheville is consistently ranked high among the best places to live, work and retire. The City's long-range planning is directed toward preserving this area's high quality of life, so that it shall remain one of the "best places."

Form of City Government

The City of Asheville, which was incorporated in 1883, operates under a Council/Manager form of government. The six-member City Council and the Mayor are elected at-large for staggered terms of four years. City Council, which acts as the City's legislative and policy-making body, selects the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The City's 1,000-person workforce provides basic City services including fire and police protection, planning and economic development, public works (streets, traffic, solid waste and stormwater services), parks and recreation, and water.

Statistical Information

Year Established

Asheville	1883
Buncombe County	1792

Size (square miles)

Asheville	42.26
Buncombe County	657

Climate

Avg. Yearly Temp.	55.4 F
Avg. Yearly Rainfall	46.97 in
Avg. Yearly Snowfall	14.9 in
Avg. Elevation	2,165 ft

Police Protection

Number of Stations	2
Number of Police Personnel	234
Number of Patrol Districts	5
Number of:	
Calls for Service Dispatched	96,679
UCR Part I Crimes Reported	5,210
UCR Part I Crimes Cases Cleared	881
Traffic Accidents Investigated	2,453

Utilities

Miles of Streets	364.92
Number of Street Lights	9,854
Number of City-Maintained Intersections	88
Miles of Water Mains	1,550
Treatment Plants	3
Water Service Connections	47,290
Fire Hydrants	6,000
Daily Avg. Consumption of Water (gal)	21.5 million
Max. Daily Capacity of Treat. Plants (gal)	41 million

Fire Protection

Number of Stations	9
Number of Fire Personnel	210
Number of Calls Answered	10,963
Number of Inspections Conducted	4,656

Culture & Recreation

Community Centers	11
Parks & Playgrounds	46
Park Acreage	735
Swimming Pools	2
Tennis Courts	22

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Demographic Information

(Source: U.S. Census Bureau, Census 2000; Geographic Area: City of Asheville, unless otherwise indicated)

Population (State Est. as of 7/02)

Asheville	70,070
Buncombe County	210,550

Population Growth 1990-2000

Asheville	11.4%
Buncombe County	18.1%

<u>Age</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	3,699	5.4%
5-9	3,789	5.5%
10-14	3,761	5.5%
15-19	4,080	5.9%
20-24	5,283	7.7%
25-34	9,869	14.3%
35-44	9,895	14.4%
45-54	9,653	14.0%
55-59	3,365	4.9%
60-64	2,898	4.2%
65-74	5,894	8.6%
75-84	4,958	7.2%
85+ years	1,745	2.5%
Median Age	39.2	

<u>Race</u>	<u>Number</u>	<u>Percent</u>
White	53,701	78.0%
Black or African American	12,129	17.6%
Other	3,059	4.4%
Hispanic or Latino (any race)	2,589	3.8%

<u>Households</u>	<u>Number</u>	<u>Percent</u>
Total	30,690	
Family Households	16,737	54.5%
Non-Family Households	13,953	45.5%
Average Household Size	2.14	
Average Family Size	2.81	

<u>Housing Occupancy</u>	<u>Number</u>	<u>Percent</u>
Total Housing Units	33,567	
Occupied Housing Units	30,690	91.4%
Vacant Housing Units	2,877	8.6%
Homeowner Vacancy Rate	2.6%	
Rental Vacancy Rate	8.1%	

<u>Housing Tenure</u>	<u>Number</u>	<u>Percent</u>
Occupied Housing Units	30,690	
Owner-Occupied Housing Units	17,428	56.8%
Renter-Occupied Housing Units	13,262	43.2%

<u>Sex</u>	<u>Number</u>	<u>Percent</u>
Male	32,207	46.8%
Female	36,682	53.2%

Other Demographic Information

(Source: Asheville Area Chamber of Commerce)

Public Schools

Number of Elementary Schools	6
Number of Middle/High Schools	2/1
Total Student Enrollment	3,826

Medical

Hospitals/Beds	3/1,233
Doctors	637
Dentists	108

Area Colleges & Universities

	<u>Enrollment</u>
University of North Carolina-Asheville	3,348
Western Carolina University	7,600
Mars Hill College	1,036
Warren Wilson College	775
Montreat College	416
Asheville-Bunc. Tech/Comm College	5,900

Housing

Avg. Price of Area Homes Sold	\$194,345
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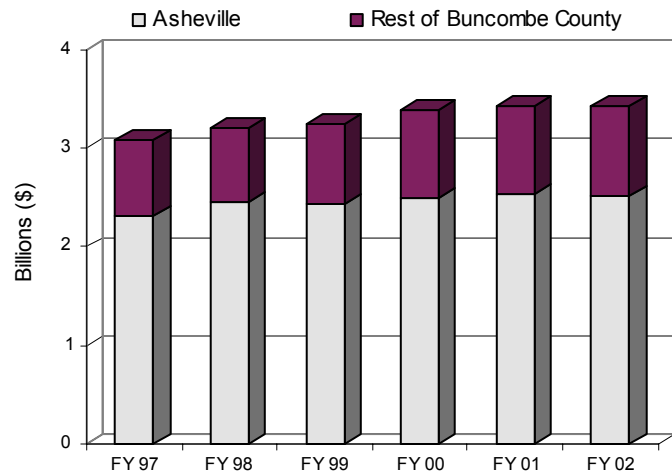
Economic Indicators

Growth in many of the City's revenues depends on the state of the economy. When the economy is expanding, revenues are up, and when the economy slows, revenues react accordingly. Given this relationship, key economic indicators, such as retail sales, unemployment rates, job growth, construction starts and hotel/motel sales are helpful in assessing why revenues are either up or down, and how they might be trending in the future. Although the City's revenues are most directly impacted by the local economy, trends in North Carolina and across the nation are also important.

Retail Sales (Source: N.C. Department of Revenue)

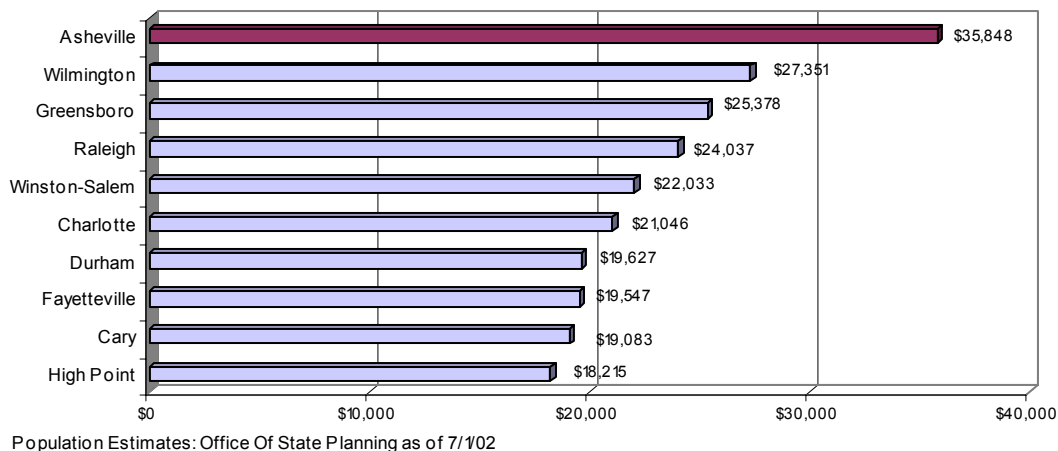
Buncombe County Retail Sales

		<u>% Growth</u>
FY 92-93	2,045,050,037	8.78%
FY 93-94	2,322,972,171	13.59%
FY 94-95	2,562,218,695	10.30%
FY 95-96	2,760,468,147	7.74%
FY 96-97	2,914,171,587	5.57%
FY 97-98	3,081,052,389	5.73%
FY 98-99	3,211,541,498	4.24%
FY 99-00	3,244,933,551	1.04%
FY 00-01	3,385,178,057	4.32%
FY 01-02	3,431,308,897	1.36%
FY 02-03	3,429,967,246	-0.04%



In addition to being an important indicator of overall local economic health, Buncombe County retail sales activity also directly impacts the City's general fund budget through sales tax receipts. Between FY 1993-94 and FY 1998-99, retail sales countywide grew at an average annual rate of 6.71%. Since that time, however, annual growth has averaged only 1.67% as the area has felt the effects of the economic recession. FY 2002-03 retail sales actually decreased slightly compared to the prior year. Retail sales are expected to rebound somewhat in the coming year, but growth is expected to remain below the levels experienced prior to the recession.

Per Capita Retail Sales for North Carolina's Ten Largest Cities FY 2002-03



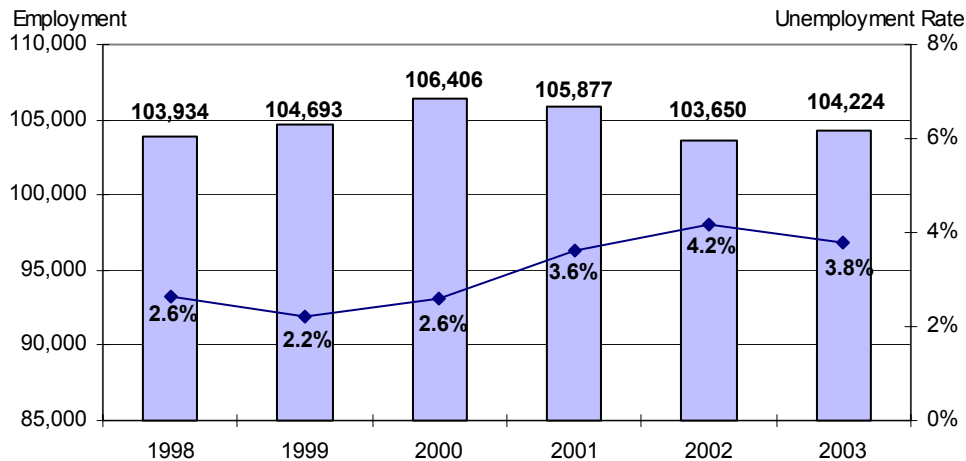
Of the \$3.43 billion in retail sales recorded in Buncombe County during FY 2002-03, \$2.51 billion or 73% of those sales occurred within the City of Asheville. Among the ten largest cities in North Carolina, Asheville had the highest level of retail sales per resident in FY 2002-03. This data reflects Asheville's position as the regional

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economic center for Western North Carolina. Asheville's high level of retail sales per resident is also likely associated with Asheville's status as a tourist destination.

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Labor Market Trends (Sources: N.C. Employment Security Commission & the Asheville Area Chamber of Commerce)



Buncombe County Workforce (2003)

<u>Largest Employment Sectors (NAICS)</u>	<u>% of Employment</u>	<u>Employment Growth</u>		
		<u>Year</u>	<u>Avg. Employment</u>	<u>% Change</u>
Health Care & Social Assistance	18.3%	1994	94,315	
Retail Trade	13.2%	1995	95,452	1.21%
Manufacturing	12.9%	1996	98,996	3.71%
Accommodation & Food Services	10.9%	1997	102,528	3.57%
Educational Services	6.5%	1998	103,934	1.37%
Administrative & Waste Services	5.9%	1999	104,693	0.73%
Construction	5.8%	2000	106,406	1.64%
Public Administration	5.2%	2001	105,877	-0.50%
Professional & Technical Services	3.8%	2002	103,650	-2.10%
		2003	104,224	0.55%

The unemployment rate is a critical indicator of relative strength in the local economy. Due to the continuing economic slowdown, Buncombe County has experienced higher unemployment rates over the last two years than it did during the late 1990's. As of May 2004, the county's unemployment rate stood at 3.1%. Local unemployment rates are below both the statewide (5.3%) and national (5.6%) unemployment rates. In fact, Asheville has the lowest unemployment rate among North Carolina's eleven Metropolitan Statistical Areas.

Between 1994 and 2003, the total employment in Buncombe County increased by 9,909 jobs or 10.5%. Asheville is currently experiencing employment growth rates above both the state and national averages. Over the last year alone, 1,300 net new jobs have been added.

The County's leading industry in terms of employment is health care & social assistance, which employed 19,147 people in 2003. Over the last five years, health services added twice as many jobs as any other sector. Other leading industry sectors include retail trade, manufacturing, and accommodation & food services. Together these four sectors accounted for approximately 55% of all Buncombe County jobs in 2003. Despite the fact that it remains the third largest industry sector in Buncombe County, the manufacturing sector has experienced a significant decline in recent years. Over the last five years, local manufacturing employment has declined 22%.

According to the U.S. Bureau of Economic Analysis, the average annual wage per job in Buncombe County in 2002 was \$28,796. Buncombe County's average annual wage per job is below both the state (\$32,200) and national (\$36,167) averages. The County's 2002 average wage per job is 89.4% of the state average and 79.6% of the national average; both percentages are down slightly from the prior year.

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Labor Market Trends (Sources: Asheville Area Chamber of Commerce & N.C. Department of Commerce)

Top Area Employers

Employer	Employment	Employer	Employment
Mission/St. Joseph's Health System	5,100	Community Care Partners	1,200
Buncombe County Bd. Of Education	3,600	GE Lighting Systems	1,000
Ingles Markets (Home Office)	2,100	VA Hospital	1,000
Buncombe County Government	1,700	Biltmore Company	900
Blue Ridge Paper Products, Inc.	1,600	Grove Park Inn Resort	900

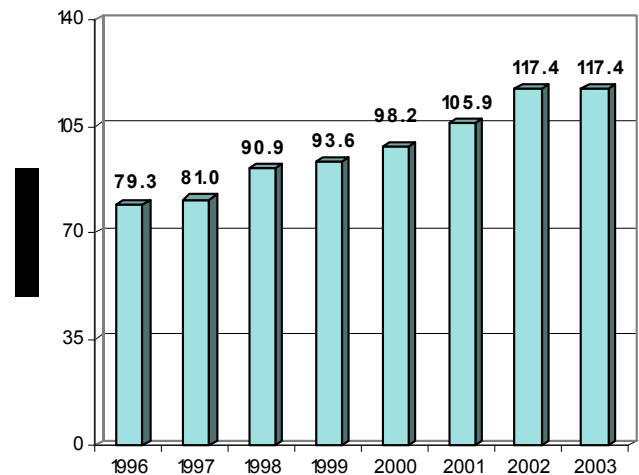
ACCRA Cost of Living Index (4th Quarter 2003)

Cities	All Items	Groceries	Housing
Raleigh	98.1	100.2	92.6
Asheville	100.8	91.3	110.0
Charlotte	95.9	97.2	88.0
Greenville, SC	93.4	99.9	80.0
Winston-Salem	92.2	92.1	89.0

(100 = The Composite National Average)

Buncombe County Hotel/Motel Sales (Sources: N.C. Department of Commerce & the Asheville Area Chamber of Commerce)

	<u>Hotel/Motel Sales</u>	<u>% Change</u>
1995	\$ 75,935,523	
1996	79,295,931	4.4%
1997	80,994,128	2.1%
1998	90,915,449	12.3%
1999	93,599,204	3.0%
2000	98,176,768	4.9%
2001	105,942,408	7.9%
2002	117,411,941	10.8%
2003	117,444,465	0.0%



Asheville's setting in the heart of a vast and beautiful recreational area has made tourism an important part of the local economy. The most recent data from the N.C. Department of Commerce indicate that domestic tourism in Buncombe County generated an economic impact of \$486.26 million in 2002, an increase of 5.7% compared to 2001. Buncombe County ranks 5th in travel impact among the state's 100 counties. Over 8,340 jobs in Buncombe County are directly linked to travel and tourism. Growth in hotel/motel sales is a good indicator of the status of the local tourist economy. After substantial increases in 2001 and 2002, hotel/motel sales showed no growth in 2003. Data from the first four months of 2004 indicate that the tourism industry is rebounding, with hotel/motel sales up 10.9% compared to the first four months of 2003.

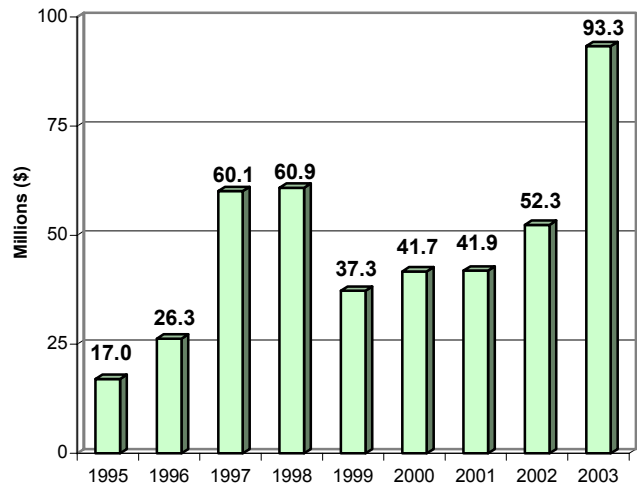
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Construction Trends (Source: City of Asheville Building Safety Department)

Residential Permit Valuation

Residential Permit Valuation

		<u>% Change</u>
1995	\$17,039,247	
1996	26,296,518	54.33%
1997	60,098,469	128.54%
1998	60,867,405	1.28%
1999	37,271,779	-38.77%
2000	41,708,329	11.90%
2001	41,897,612	0.45%
2002	52,343,315	24.93%
2003	93,330,295	78.30%

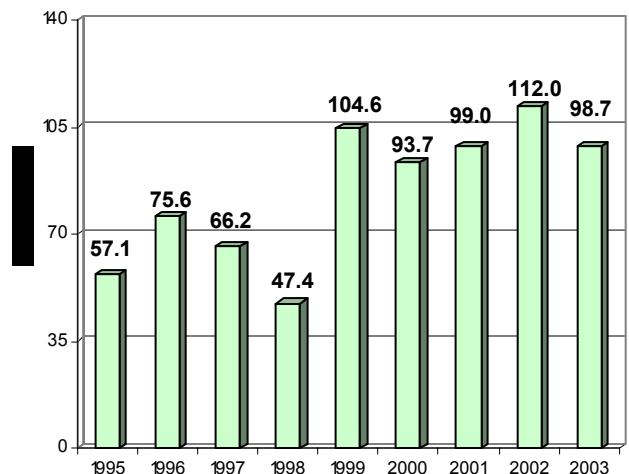


Residential property is the single largest component of the City's tax base comprising 43.6% of the City's total assessed valuation. Trends in residential construction are therefore an important indicator of overall growth in the City's financial capacity. In addition, residential development generally costs more to service than other types of development. Explosive growth in residential construction can thus lead to more demand for services and higher operating costs for City departments. Despite the economic recession, residential construction remained healthy over the last three years. The dramatic increase in 2003 was due primarily to construction at the Givens Estate retirement community in south Asheville which had a construction cost of \$42,986,656.

Commercial Permit Valuation

Commercial Permit Valuation

		<u>% Change</u>
1995	\$57,066,104	
1996	75,649,141	32.56%
1997	66,204,451	-12.48%
1998	47,432,064	-28.36%
1999	104,611,542	120.55%
2000	93,723,352	-10.41%
2001	98,982,460	5.61%
2002	111,985,132	13.14%
2003	98,748,514	-11.82%



Commercial property is the second largest component of the City's tax base comprising 30.7% of the City's total assessed valuation. Growth in commercial construction is important for the City's financial capacity and for the overall health of the local economy. Commercial construction activity increased substantially in 1999 and remained steady through 2003. Major commercial construction projects completed during this time included the Asheville Mall expansion and renovations at the Grove Park Inn, as well as construction of a new \$4.6 million Target department store in east Asheville and a \$5.6 million Holiday Inn on Tunnel Rd. In addition, several large commercial projects are currently underway, including the construction of a Wal-Mart super center in E. Asheville.